SOFT DRINKS □ BEER □ BOTTLED WATER □ WINE □ POWDERS □ JUICES □ SPIRITS

SEPTEMBER 10, 1982

Beverage Industry

A HBJ PUBLICATION

STATISTICAL REF INDEX
7101 WISCONSIN AVE #900
WASHINGTON DC 20014

THE SMALL GET SMALLER
COMPANIES WITH UNDER $2 MILLION IN SALES
6.9% DECREASE
COMPANIES WITH BETWEEN $2 MILLION AND $3 MILLION IN SALES
NO CHANGE
COMPANIES WITH OVER $3 MILLION IN SALES
3.9% INCREASE

Number of beer wholesalers off as bigger firms' volumes rise

By Paul E. Mullins
Editor

MINGO JUNCTION, OH—Although soft drink and brewer mergers and acquisitions get the big headlines, the same activity is also taking place in the beer wholesaler industry. According to the 1981 U.S. Beer Wholesaler Sales Survey, published by Beverage Marketing Corp., located here, there were 77 fewer firms in business last year.

The decline represents a "plant mortality rate" of 1.6%. Most of these firms were located on the lower end of the sales spectrum. Firms with less than $2 million in sales actually declined at a rate of 6.9%.

Some of the smaller firms also moved into the higher category or were absorbed by firms in these groups. Companies with sales in excess of $3 million increased 3.6%.

(The $2 million to $3 million sales category remained the same, 1,112 firms in '80 vs. 1,113 in '81.)

The larger firms also increased their hammer lock on the bulk of beer sold: 1,497 companies—32.8% of the total—accounted for 72.7% of total dollar volume. The top sales performers, those with sales in excess of $10 million (7.22% of the total) now control $6.9 billion in sales, 38.17% of the total.

According to Michael Bellas, BMC president, there was one surprise in the top listing. "One $50 million-or-more operation went out of business. The firm was located in New York and its brands were absorbed by other distributors in the metropolitan area," he says.

This year's study also provides names and addresses for all distributors in each state. For a list of the seven top U.S. distributors, see page 10.

Total wholesale dollar volume for the 4,637 distributors in business last year was

(Continued on page 10)

FDA hints 'okay' for acrylonitrile bottle

WASHINGTON, DC—In letters to both Monsanto and Vistron, the Food and Drug Administration has held out the possibility of approving acrylonitrile soft drink bottles under its proposed constituents policy.

However, the plastics manufacturers would have to submit new food additive petitions to FDA for marketing clearance since it does not consider the acrylonitrile monomer (AN) migration levels to be de minimis.

While it would appear the two bottle makers would welcome this latest bit of news, it is conceivable they might contest the agency's decision, arguing that AN in soft drink containers is not a food additive.

In data it submitted to FDA on its Cycle-Safe bottle, Monsanto maintained there was a "lack of migration of AN." But FDA begged to differ, concluding the bottle was indeed a food additive due to the "reasonable expectation of the migration of AN and other constituents."

Specifically, FDA said there was a "potential for migration of AN at levels up to .16 parts per billion (ppb)" which it did not consider "inconsequential" as well as volatile components including hydrogen cyanide (HCN), styrene monomer and formaldehyde.

In evaluating AN migration, FDA used conservative risk assessment procedures and data from Dow and Monsanto studies. It concluded that AN copolymers "may safely be used for contact with food provided that exposure to AN does not exceed .5 microgram per day."

Based on this tolerance level, ".5 ppb or less would be

(Continued on page 8)

States' tough laws battle drunk drivers

WASHINGTON, DC—While recent alcohol beverage industry and federal attention has focused on the hazards of drinking and driving, the states surrounding the nation's capital have toughened their drunk driving laws, with Maryland also increasing its drinking age.

Virginians with a drunk driving offense are no longer able to enter a rehabilitation program to erase the conviction from their record. Moreover, those with two convictions must now spend two days in jail, while those with three face a minimum one month sentence and possible

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High insurance costs squeeze bottlers' profits

By Robert Kreutzer
Senior Editor

SPECIAL REPORT—A soft drink bottler recently received his company's insurance policy renewal. In one year, medical premiums had risen a hefty 29% for individual coverage and an amazing 70% for dependent coverage.

This example is extreme, but it points up a common, and worsening, problem. Ten years ago, insurance costs to soft drink bottlers were considered little more than another bookkeeping item. Today, insurance premiums can be a major expense, principally due to the growth in medical coverage costs.

When their premiums go up, bottlers have to decide whether to pass them along in higher product prices (which isn't easy in a time of widespread discounting), or absorb the added cost.

Both the Coca-Cola and Pepsi-Cola bottlers' associations offer group insurance

(Continued on page 16)

BI Week

• New president for one of nation's top five soft drink franchisors due to be announced shortly. (Perhaps even by the time you read this.) Non-stop rumors are that the new man is one of industry's leading marketing strategists. Guy he's replacing reportedly is being moved upstairs.

• BI's nominee for what had to be one of the toughest marketing decisions of '82. BMI's decision to sign

(Continued on page 41)

Gov't. seeks total ATF alcohol control

WASHINGTON DC—It might not happen during this Congress, but the government would like to amend the Federal Alcohol Administration Act (FAAA) so that all alcoholic beverages are regulated by the Bureau of Alcohol, Tobacco and Firearms.

Currently, beverages with more than 7% alcohol come under ATF's jurisdiction, while those with less fall within the Food and Drug Administration's purview. This has presented a problem for light wines and ciders, which are considered alcoholic beverages for taxation purposes, but foods for labeling purposes.

Villa Bianchi, which manufactures a reconstituted light wine with 6% alcohol, has been particularly bothered by this regulatory limbo and complained to the Office of Management and Budget—but help may be on the way, at least in spirit.

In a letter to Sen. Robert

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Contents

Number of beer wholesalers drops

Merger and acquisition activity isn't limited to soft drink companies and brewers; a new study shows that the number of U.S. beer wholesalers is also dropping. There were 77 fewer firms in business last year. Most of these were smaller volume companies. Larger firms, those with sales above $10 million annually, now control almost 40% of total beer sales. For an in-depth story, full of statistical data, see **page 1.**

FDA, plastics cos. disagree on AN

FDA has told Monsanto and Vistron that under the agency's proposed constituents policy, acrylonitrile might be approved for use in making soft drink bottles. But, the plastics makers would have to submit new food additive petitions to FDA for marketing clearance. FDA and Monsanto disagree on migration of acrylonitrile monomer. Monsanto may contest FDA's decision, saying that AN isn't a food additive. For more, see **page 1.**

Med. costs boost bottlers' insurance

Skyrocketing medical costs are causing headaches for soft drink bottlers who see their corporate insurance policy premiums increase year after year. When premiums rise, bottlers have to decide whether to absorb the cost or pass it through. One franchise bottler association is reexamining its master policy for members. What is the magnitude of the problem? And, what can bottlers do? For some answers, see **page 1.**

SD sales up 3.8% to $20 billion value

Total soft drink gallonage rose 3.8% from 1980 to '81, according to the latest tabulations from NSDA. While the percentage increases in various gallonage segments '80 to '81 were up at a slightly slower rate than those of '79 to '80, total SD sales reached 4 billion cases, with an estimated wholesale value of $20 billion, a heafty increase from 1980. For a complete breakdown of NSDA numbers, see **page 4.**

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THE CASE FOR BROCKWAY® SOFT DRINK CONTAINERS

The case for Brockway glass containers opens with service that's clearly the best. Here's why.

A NATIONWIDE NETWORK.

Brockway has 13 strategically located glass container production plants from coast to coast for better service and fast, dependable delivery.

When you need single-service or family-size Plasti-Shield* containers, Brockway meets the demand with capabilities for Plasti-Shield containers at seven plant locations.

And whatever your need in refillable or nonrefillable glass, in plain, private mould or blown letter, you can count on Brockway to keep you supplied with 7 oz. to one liter sizes.

■ Plasti-Shield facilities.

LOOKING BRIGHT.

In a crowd of products, bold colorful labels stand out. Especially Brockway's new, co-extruded labels for Plasti-Shield containers.

The new labels have a smooth, glossy finish that gives your message the sharp definition it needs, and your graphics the vibrant colors they need to catch the customer's eye.

Brockway's co-extruded labels are available on 10 and 16 oz. single-service containers as well as family sizes.

On the filling line, noise is greatly reduced because the labels virtually eliminate glass to glass contact.

GET A GRIP ON THE MARKET.

Glass single-service containers make up the fastest growing segment of the vending market. And Brockway's new Plasti-Shield containers with co-extruded labels can be dispensed in vending machines.

The smoother surface of the colorful new co-extruded labels helps reduce friction during dispensing and reduces the chance of marks and scuffs.

And, of course, glass keeps your soft drinks fresher and tasting better.

THE COLD FACTS.

It's a fact that single-service containers bring high volume business and profits.

It's also a fact that with Brockway as your glass container source, you can get the variety of containers you need in flint, emerald green, Georgia green, and amber.

Service. Quality. Dependable delivery. Variety. Efficiency. Profitability. Those are the facts that make a convincing case for Brockway glass containers.

To place your order, contact your local Brockway sales representative, or call Brockway's Beverage Division at (814) 268-3015.

Case closed.

Brockway is a participating member of the Glass Vending Association's vending program sponsored by the Glass Packaging Institute.

Brockway

Brockway, PA 15824.

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SEPTEMBER 10, 1982

Beverage Industry

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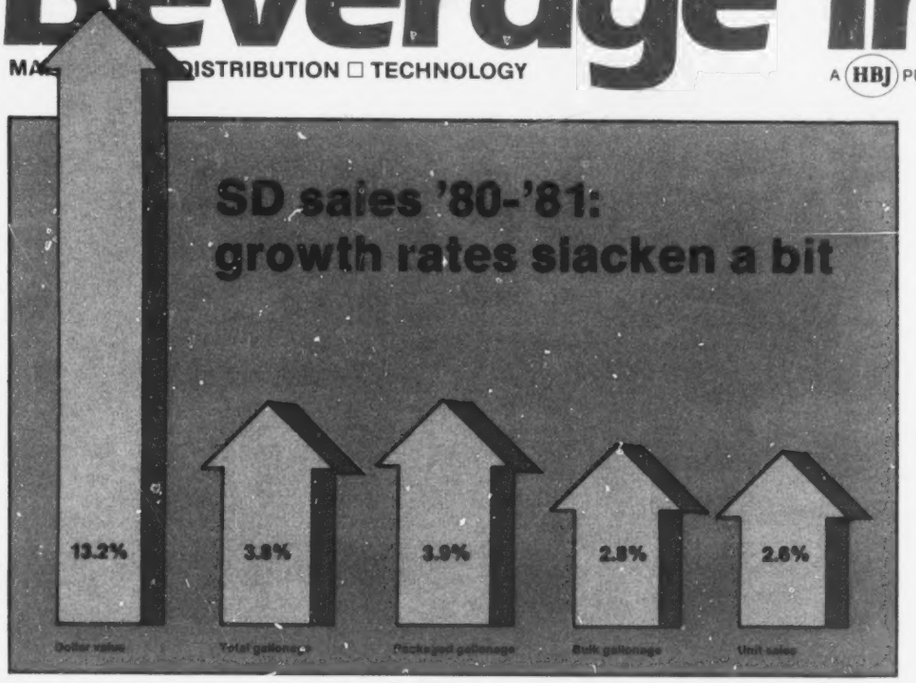

Source: NSDA

Copyright: Beverage Industry, September 10, 1982

Welch's puts new look on carbonated SD line

DALLAS, TX—Welch's line of carbonated soft drinks now carry new package graphics.

New packages will enter the market as bottlers and suppliers exhaust existing inventories. Welch's primary audience is age 12-18. Over 60% of the company's volume is sold through cold bottle outlets. The grape flavor, introduced in 1974, is the most popular, followed by strawberry.

"We didn't go into a graphic revision looking for a revolutionary new look, but rather an evolutionary update of the original package that would appeal to our target audience," said Donald Antle, v.p. and general manager at Premier Beverages, Inc., a wholly-owned subsidiary of Dr Pepper Co. with marketing rights to Welch's soft drink line.

In the new design, the sparkling bubbles, part of Welch's packaging tradition, are larger. Mandatory copy and the Universal Product Code have been repositioned.

On cans, the Welch's logo is printed diagonally on three sides, so the brand name is always clearly visible. Labels for 16 oz. and 2-L sizes also carry the logo on the diagonal.

Welch's soft drink line includes grape, strawberry, orange and apple flavors.

SD gallonage increases: wholesale value to $20 B

WASHINGTON, DC — Total soft drink gallonage, bulk and packaged, advanced 3.8% from 1980 to '81. The packaged segment was up 3.9% and bulk rose 2.8%. Unit sales increased 2.6%, and total dollar value was 13.2% higher, according to the latest tabulations from the National Soft Drink Association, based on responses from 284 plants.

The percentage increases, '80 to '81 were at a slightly slower rate than those of '79 to '80. Nonetheless, total soft drink sales reached 4 billion cases (288 oz. per case) of standardized units in 1981, representing an estimated $20 billion wholesale value, up from 17.7 billion in 1980. Per capita consumption also advanced to 412.3 12-oz. units, or about 40 gallons.

NSDA says that bulk packaging now accounts for 22.4% of the national soft drink market, with packaged sales steady at 77.6%. Post-mix accounted for 84.6% and premix was 15.4% of bulk sales last year.

The market share of cans was 36.0%, refillable glass, 29.0%, plastics, 19.9% and one-way glass, 15.1%

The 16 oz. one-way glass size accounts for 57.0% of the one-way glass total market share. The 10-12 oz. size makes up 29.0% of the one-way share; 1-L accounts for 6.0%; 2-L makes up 7.0%.

For the refillable glass market, 16 oz. size again leads with 59.0%, followed by 1-L, at 20.0% and 10-12 oz. at 17.0%.

Bulk sales, according to NSDA figures, were up overall 2.8% in 1981, with pre-mix decreasing by 2.0% and post-mix increasing 3.7%. Packaged sales rose 3.9%, led by plastic at 15.9%. One-way glass rose 11.0%; can sales were up 0.08%. Refillable glass was down 1.5%.

Among glass packages, the one-way 16-oz. bottle grew 40.5% and the refillable 16-oz. was up at a 7.4% rate. All other glass categories were off from 1980.

flavor mix

According to NSDA, regular soft drinks accounted in 1981 for 85.0% of packaged sales; the diets increased to 15.0%. Colas held a 63.0% share of the regular soft drink category; lemon-limes were 10.4%; pepper-types were 5.4% and orange was 4.9%. In the diet category, cola held a 65.3% share; lemon-limes had 13.3%.

Soft drink sales in food stores accounted for 59.4% of packaged volume, vending machines for 16.4% and other retail outlets for 24.2%, according to NSDA.

Glass industry reduces its energy use

WASHINGTON, DC—The glass container manufacturing industry has reduced its per-container energy consumption by 19.31% since 1971, according to a recent report submitted to the U.S. Department of Energy (DOE) by the Glass Packaging Institute. Total glass container shipments have increased by approximately 24% during the same period.

In 1972, DOE asked the glass container industry to reduce its per-container consumption by at least 13.5%. Numerous energy saving measures allowed it to meet the target by the end of 1979.

The 19.31% efficiency improvement was achieved despite industrial inefficiencies associated with an often depressed national economy.

Welch's product line sports new design.

New graphics for Stroh cans enter market

DETROIT, MI—The Stroh Brewery Co., after two years of test marketing in various states, is introducing a new premium beer can in Ohio, North Carolina and Florida.

The company will assess the popularity of the new can design, and then, sometime this year, will decide whether to apply the graphics to its entire product line.

Ohio and North Carolina are established markets for Stroh; Florida is a brand new market. So, Stroh will be

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Stroh's new graphics.

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Beer Sales

(Continued from page 1)

$18,245,250,000, up 5.4%. Total barrelage, 182,277,000, was up 2.5%.

regional trends

Sections which were hardest hit in terms of losing distributors were the Midwest, down 20; the Great Lakes, down 34; the Southwest, down 14; and the Far West, down 15. Slight gains (six in each region) were recorded in the Plains and Southeast.

(See below for a listing of regions by state.)

There were very few changes in dollar volume and barrelage between 1980 and 1981. The Sunbelt states of the Southeast, Southwest and Far West still account for the bulk of regional sales. These three areas account for 43.4% of total sales, up from 31.7% in 1980.

The Great Lakes area with 943 distributors is still the top sales area, accounting for 20.3% of total sales. The Southeast, however, is only .7 of one percentage point away and is gaining while the Great Lakes area is declining.

The Southeast has already overtaken this region in actual barrels sold and accounts for 20.8% of total barrelage.

Sales in the New England area reflected the impact of price increases, according to Bellas. Dollar volume increased (by $26 million) but barrelage dropped, by over 100,000 units.

regional concentration

Concentration of sales among the larger firms is also evident in the regions.

In New England, 19 companies with sales in excess of $10 million, 15.23% of the total, account for 50.15% of sales. In the Midwest, this same group (61 firms, 9.29% of the total) accounts for 46.77% of dollar volume.

In the Great Lakes, 110 firms with sales in excess of $5 million, 17.01% of the total, had 53.7% of dollar volume.

Seventy-eight plants in the Plains states, those with sales in excess of $3 million (14% of the total) accounted for 47.05% of dollar volume.

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Concentration in the beer wholesaler industry

Size of company	No. of companies	Percent of total	Wholesale dollar volume**	Percent of total	Estimated barrelage**	Percent of total
$50 million or more	7	.15	$ 385,000	2.1	3,675	2.02
$25 million to $50 million	42	.91	$ 1,575,000	8.6	15,750	8.64
$10 million to $25 million	286	6.17	$ 5,005,000	27.4	50,050	27.46
$5 million to $10 million	473	10.20	$ 3,547,500	19.4	35,475	19.46
$3 million to $5 million	689	14.86	$ 2,756,000	15.1	27,560	15.12
$2 million to $3 million	1,113	24.00	$ 2,782,500	15.2	27,825	15.27
$1 million to $2 million	1,076	23.20	$ 1,614,000	8.8	16,140	8.85
$500,000 to $1 million	685	14.77	$ 513,750	2.8	5,137	2.82
Less than $500,000*	266	5.73	$ 66,500	.3	665	.36
Total	4,637	100.00	$18,245,250	100.00	182,277	100.00

* Includes 2 unclassified firms
** Add ,000

Source: Beverage Marketing Corp., Beverage Data Bank

Copyright: Beverage Industry
September 10, 1982

Seven domestic $50 million-plus beer distributors

Foothill Beverage
2800 S. Reservoir St.
Pomona, CA 91766
Straub Distributing Co.
410 W. Grove Ave.
Orange, CA 92665
C & K Distributors, Inc.
555 N. Tripp Ave.
Chicago, IL 60624
Burke Distributing Corp.
89 Teed Drive
Randolph, MA 02368
Port Distributing
45-01 Vernon Boulevard
Long Island City, NY 11101
Union Beer Distributing
1213 Grand St.
Brooklyn, NY 11211
Willow Distributors
2601 Cockrell St.
Dallas, TX 75215

Distributor sales by state, 1981

State	No. of companies	Wholesale dollar volume*	Estimated barrelage*
Alabama	61	223,750	2,237
Alaska	16	37,000	369
Arizona	66	280,750	2,807
Arkansas	64	146,500	1,464
California	288	2,004,500	19,994
Colorado	59	274,750	2,747
Connecticut	23	195,000	1,950
Delaware	9	51,750	517
Washington, DC	6	58,000	580
Florida	99	930,750	9,307
Georgia	75	361,750	3,617
Hawaii	23	92,750	927
Idaho	41	78,250	782
Illinois	242	930,500	9,279
Indiana	156	395,750	3,957
Iowa	104	232,750	2,327
Kansas	66	167,250	1,672
Kentucky	75	230,250	2,302
Louisiana	78	348,500	3,484
Maine	25	84,000	840
Maryland	70	341,500	3,414
Massachusetts	57	496,500	4,940
Michigan	194	690,500	6,904
Minnesota	146	324,250	3,242
Mississippi	59	163,750	1,637
Missouri	118	395,000	3,949
Montana	50	88,000	879
Nebraska	53	141,000	1,409
Nevada	22	101,250	1,012
New Hampshire	20	99,500	995
New Jersey	57	530,500	5,305
New Mexico	31	123,500	1,235
New York	183	1,276,500	12,715
North Carolina	96	371,750	3,717
North Dakota	35	58,000	579
Ohio	159	822,250	8,222
Oklahoma	65	207,750	2,077
Oregon	108	209,250	2,092
Pennsylvania	450	980,750	9,807
Rhode Island	12	76,250	762
South Carolina	59	220,250	2,202
South Dakota	30	50,500	505
Tennessee	60	298,250	2,982
Texas	357	1,517,250	15,147
Utah	20	77,000	770
Vermont	14	45,000	450
Virginia	90	384,750	3,847
Washington	135	338,500	3,384
West Virginia	74	116,750	1,167
Wisconsin	192	524,250	5,242
Wyoming	36	50,500	505
Total	4,637	$18,164,250	182,252

Source: Beverage Marketing Corp., Beverage Data Bank

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September 10, 1982

Regional breakdown

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
Northeast: Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania.
Great Lakes: Illinois, Indiana, Michigan, Ohio, Wisconsin.
Plains: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.
Southeast: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia.
Southwest: Arizona, New Mexico, Oklahoma, Texas.
Rocky Mountain: Colorado, Idaho, Montana, Utah, Wyoming.
Far West: Alaska, California, Hawaii, Nevada, Oregon, Washington.

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Japanese soft drink sales continue decline in '81

By Sankichi Yamasaki
Far East Correspondent

TOKYO, JAPAN – Soft drink consumption and production in Japan is down for the third consecutive year, locked in a downward spiral since reaching its production peak of 3,408,000 kiloliters in 1978.

Production is down 740,000 kiloliters to 2,668,000 in 1981, with cola's, lemon/lime and flavored soft drinks suffering the most. Colas and lemon/lime are down 324,000 and 305,000 kiloliters respectively since '78, and the "flavor" category is off 197,000 from 1979.

Per capita consumption is also down, from 29.6 liters in 1978 to 22.3 liters in 1981. Milk drinks are also down, from 16.4 to 14.2 liters during the same period. Though soft drinks have struggled the most in recent years, they are not alone. The entire non-alcoholic beverage market was flat in 1981. Per capita consumption for this category has increased only 2.7% from 1977 to 1981.

The Japanese soft drink industry has been trying to keep its selling price as low as possible, while labor, distribution, ingredient and packaging costs have increased, squeezing bottlers' profits and ad expenditures. Low consumption is also attributed to the cool, rainy weather Japan has been experiencing during the summer months for the past several years.

consumer needs

Industry observers feel that the soft drink industry in Japan has been slow in adapting to consumer needs. The beer industry, for example, has not suffered from the same declines as the soft drink industry, due mainly to the introduction of new products and packages over the last few years.

But even though the non-alcoholic beverage market, as a whole, has been flat of late, several beverages have shown growth. Milk and specialty drinks (vitamin/mineral/other nutrition fortified) have increased. Canned coffee drinks and sport drinks have also been up. Consumption of coffee drinks has risen from 313,000 kiloliters in 1977 to 690,000 kiloliters in '81.

Soy milk production also is up considerably, rising to 40,000 kiloliters in '81 from only 3,000 in 1977. The fruit drink category was also up slightly, by 2,000 kiloliters from '80-'81.

Milk and bottled water are both up in per capita consumption over the last five years. Since 1977, milk has risen to 34.9 from 30.7 liters and bottled water is up to .7 liters from .4. The major reason for the increases in these categories is the perceived nutritional value and cost con-

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Flavor market share of carbonated drinks

1981	Flavor	1979
40.1%	Cola	40.4%
31.1	Lemon/Lime	30.9
11.3	Orange	13.9
6.9	Grape	7.9
4.0	Lemon	1.9
2.1	Cream-Soda	1.2
1.1	Club-Soda	0.9
1.4	With Juice	0.7
0.2	Apple	0.7
0.3	Cherry	0.3
0.4	Gingerale	0.2
0.1	Grapefruit	0.2
1.0	Others	0.8
100.0%	Total	100.0%

Source: Yamasaki Internati

Copyright: Beverage Industry, September 10, 1982

Container market share of carbonated drinks

1981	Container	1980
	Bottles	
	ml	
13.5%	180-200	16.0%
2.3	201-300	2.8
15.0	301-400	17.4
37.2	500-1,000	34.1
68.0	**Sub-Total**	**70.3**
	Metal cans	
	ml	
30.3	250-350	28.1
1.7	500	1.6
32.0	Sub-Total	29.7
100.0%	Total	100.0%

Source: Yamasaki Internati

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Production of packaged, non-alcoholic beverages in Japan

Unit = 000 kiloliter

Category:	1981:	1980:	80/81%
Carbonated drinks (1)	2,668	2,855	(6.5)%
Non-Carbonated drinks			
Fruit drinks	1,645	1,643	—
Milk drinks (2)	1,675	1,774	(5.6)
Others (3)	730	638	(14.4)
Sub-Total	4,050	4,055	—
Fruit juice	165	160	(3.1)
Vegetable juice	131	163	(19.6)
Milk	4,113	3,953	(4.0)
Bottled water	85	78	(9.0)
Sub-total	4,494	4,354	(3.2)
Grand total	8,544	8,409	(1.6)%

(1) contains specialty carbonated drinks, vitamin/mineral/other nutrition fortified.
(2) includes flavored/sugared milk drink and fermented milk drink, ready-to-drink and concentrated.
(3) includes coffee drink and soy milk.

Source: Yamasaki International

Copyright: Beverage Industry, September 10, 1982

Drinking age

(Continued from page 1)

lifetime revocation of their driver's license.

Meanwhile, second offenders in Maryland can no longer receive probation before sentencing to avoid convictions which will now remain on the motorist's record for a greater time period. Repeat offenders' license plates can be confiscated for 120 days, and those involved in fatal car accidents are required to take blood alcohol tests.

The United States Brewers Association recently sponsored a radio campaign geared to young adults on drinking and driving and local car dealers here have formed DADD—Dealers Against Drunk Driving—to reach primarily high school students.

Through the help of the area's Automotive Trade Association, the group plans to get its message across through posters, sales personnel and public-service radio announcements in an effort to curb the growing drunk driving problem.

Since most of the automobile accidents tend to involve young adults, Maryland has raised the drinking age to 21, although it lowered it to 18 in the early 1970s. However, individuals who reached their 18th birthday by July 1 are exempt from the new law, which is being challenged in court as allegedly unconstitutional by barring some, but not all 18 year olds, from legally obtaining liquor.

Although Maryland has raised the drinking age, the 18-21 set can still purchase alcohol in the District of Columbia, West Virginia and Delaware. Nevertheless, the Maryland legislators feel their new drunk driving and drinking age laws are a step in the right direction to decrease auto accidents and fatalities stemming from this problem.

Beer sales

(Continued from page 10)

More than 54% of total sales in the Southeast are accounted for by 18% of the total number of firms in this region, 165 companies—all with sales in excess of $5 million.

The over-$5 million group in the Southwest, 96 plants, 18.5% of the total, controlled 60% of sales.

In the Rocky Mountain region, 39 plants, about 19% of the total, have 54% of the business. All these plants have volumes in excess of $3 million.

Twenty-one percent of the firms in the Far West account for the bulk of sales, 64.13% of the total. These firms all have volumes in excess of $5 million.

Copies of the Beverage Marketing Corp. annual study are available from the firm. Please contact Janet Fanshaw, BMC, 866 Second Ave., New York, NY 10017. Individual copies are $495.00

Regional demographics of beer distributors '81

Region	No. of companies	% of total	Wholesale dollar volume*	% of total	Estimated barrelage*	% of total
New England	151	3.3	996,250	5.4	9,937	5.4
Midwest	775	16.7	3,239,000	17.7	32,339	17.7
Great Lakes	943	20.3	3,363,250	18.4	33,607	18.4
Plains	552	11.9	1,368,750	7.5	13,687	7.5
Southeast	899	19.4	3,797,000	20.8	37,970	20.8
Southwest	519	11.2	2,129,250	11.6	21,267	11.7
Rocky Mountain	206	4.4	568,500	3.1	5,685	3.1
Far West	592	12.8	2,783,250	15.3	27,781	15.2
Total	4,637		$18,245,250		182,273	

*Estimated; add ,000

Source: Beverage Marketing Corp., Beverage Data Bank

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September 10, 1982

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ATF

(Continued from page 1)
Packwood (R-OR), Christopher DeMuth, OMB's administrator for information and regulatory affairs, noted that the Food and Drug Administration "is fully supportive" to have all alcoholic products under ATF rule and "would propose corresponding changes to the Food, Drug and Cosmetic Act if such an amendment should pass." He noted that both agencies are well aware of the "incompatibility of the statutory language and have been coordinating their activities to minimize the regulatory burden on the industry within their statutory constraints."

William Drake, ATF assistant director for regulatory enforcement added "there is no controversy between FDA and ATF over changing this section of the FAAA." But the real problem, he said, will be getting the trade associations, brewers, wholesalers, vintners and distillers to all agree on an entire revamping of the act, which has not been touched since its 1935 enactment. "We need to modernize and deregulate the entire law, since it covers some things that are necessary and others that no longer need such oversight," Drake explained.

"Coca-Cola" and "Coke" are registered trade-marks which identify the same product of The Coca-Cola Company.

Circle no. 104 on Reader Service card

Stroh

(Continued from page 4)
looking at acceptance of the package in areas with various levels of penetration.

Stroh's prime target market for the new graphics is young adults, which the company says are potential customers forming brand loyalties and who are normally trend setters.

Featuring an overall white background, the new design on all-aluminum cans is similar in some respects to its predecessor. The lion-and-crown crest is at the top and "America's Only Fire-Brewed Beer" is on a red horizontal stripe across an oval label.

The white Stroh's logo is super-imposed over a gold background rather than the solid black background of the former can. Other changes include higher placement on the can and addition of the word "premium." Six lines of certificate copy about the fire-brewing process and the Stroh heritage have been added below the label.

Testing of the revised can graphics began in 1980. The 12 and 16 oz. cans are made by Stroh Container, Inc., a wholly-owned subsidiary of Stroh in Fremont, OH.

Japanese SD

(Continued from page 13)
sciousness of Japan's consumers. Also, these drinks are linked to new product development activity. Most industry observers feel the categories that have shown the most innovation have also shown growth.

Though the past few years have been rough for carbonated beverages, several factors are expected to affect the soft drink industry favorably in the near future. Weather conditions were improved in May and June, and this will lead to higher consumption. Recent approval of PET and other plastic bottles by the government for soft drinks, along with a cost reduction of almost 30% in sugar due to government policy change, are expected to boost Japan's soft drink industry in 1982 and beyond.

Beer, wine, spirits ads cost $1 billion in 1981

NEW YORK — Alcoholic beverage companies spent over a billion dollars, the most ever, on advertising in 1981. Outlays for wine, distilled spirits and beer rose 12% above 1980, as ad spending continued to outpace the growth rate of shipments in all three categories, according to data compiled by Impact Databank.

Spending on beer, accounted for about 46% of the total, or $464.8 million. That put beer spending up to 11% over 1980. Outlays for wine climbed 28%, to $173 million. Money for distilled spirits rose 8% to $377.1 million.

The strong pace of ad spending in these categories far outstripped the growth in sales from '80 to '81. Wine shipments were up last year by 6%, beer was up only 2% and spirits' sales were flat. Nonetheless, distilled spirits producers continued to increase ad money per gallon shipped to 83 cents last year. Vintners spent 34 cents per gallon; brewers, eight cents. Througout the seventies, Impact says, ad spending growth surpassed sales growth in the three categories.

Alcoholic beverages ad money went mostly into television last year, with 44% of media dollars. In 1970, TV accounted for 28% of media dollars.

Total spending in magazines, outdoor and in newspapers was down last year. Magazines took 25% of ad dollars, or $251.6 million; outdoor was 7%, or $72.2 million; and newspapers were 11%, or $116.9 million. Distilled spirits accounted for the majority of spending.

Alcoholic beverages 1981 advertising expenditures
(millions of dollars)

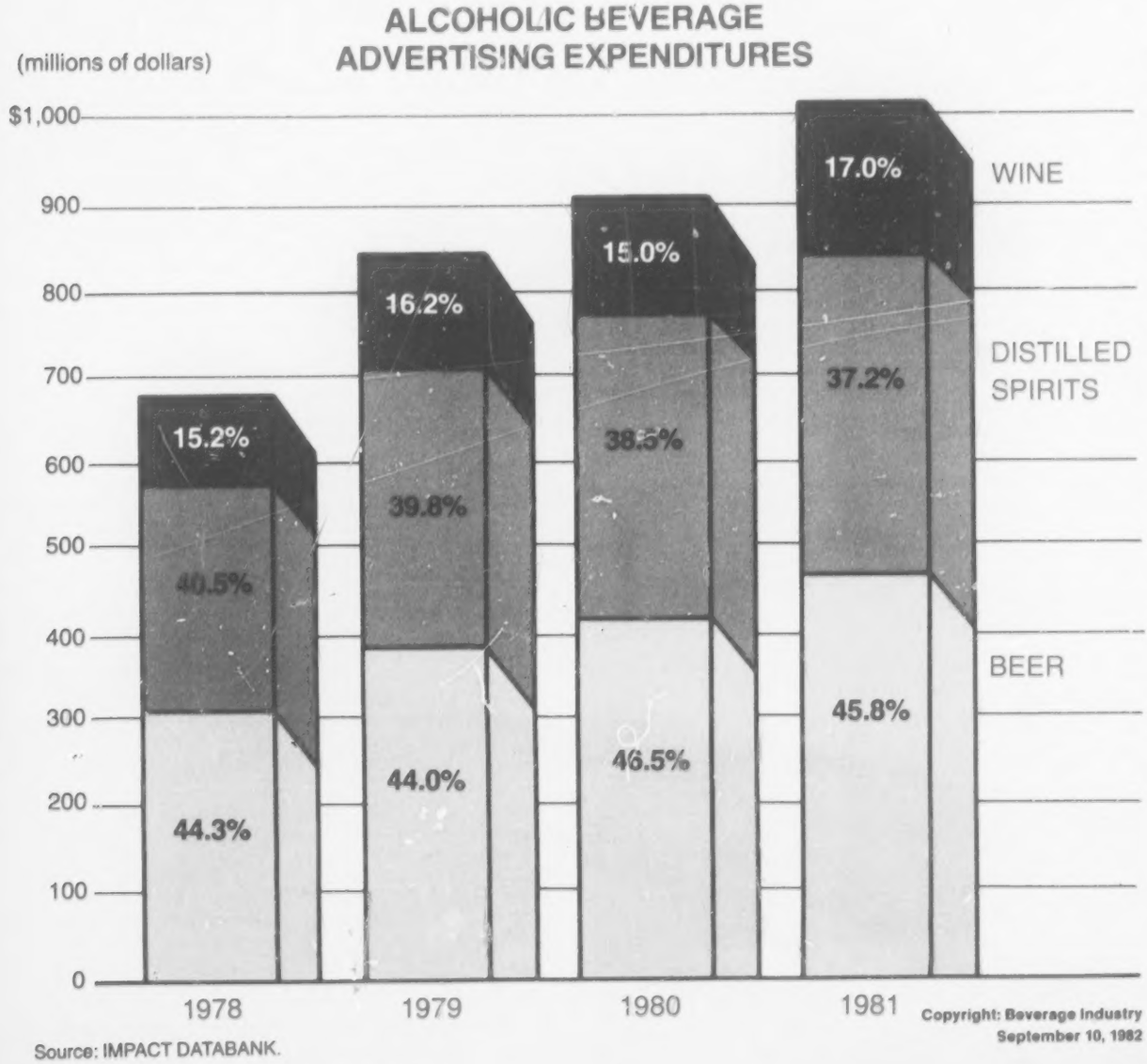
	1980	1981	Change Dollars	Change Percent
Wine	$135.5	$ 173.0	$ 37.5	+ 28%
Distilled spirits	348.0	377.1	29.1	+ 8
Beer	419.6	464.8	45.2	+ 11
Total	$903.1	$1,014.9	$111.8	+ 12%

Sources: LNA, PIB, MR, RER, IMPACT DATABANK and IMPACT estimates.

Copyright: Beverage Industry September 10, 1982

For beer, all media, except spot TV and newspaper supplements, were funded significantly higher, '81 over '80. Spot radio ads were up 40%, to $102 million; network radio was up 50%, to $3.9 million. Spot TV dropped 3%, to $125 million.

Total print and outdoor spending on beer rose 19%, '80 to '81, to $38 million, or 8% of all beer advertising. Brewers spent $17.9 million in magazines, $9 million outdoor and $11 million in newspapers, according to Impact.



Copyright: Beverage Industry September 10, 1982

Source: IMPACT DATABANK.

Asahi mkts. draft beer in 2-L alum. cans

TOKYO, JAPAN — Asahi Brewery Co., Ltd., has begun marketing its draft black beer in both 2-L aluminum cans and 300 ml wide-mouth bottles. These containers are being used exclusively by Asahi.

The black beer has a 5% alcohol content, which is 0.5% higher than standard beer in Japan. The company expects this year to sell a million cans and 200,000 cases (24 bottles per case) of the bottle.

Suppliers include: Nippon Light Metal Co., makers of the can and its closure; Shin Nihon Glass Co., which makes the bottles; Nippon Crown Cork Co., for the bottle closure; Fuji Seal Co., supplies the applied labels for the 2-L cans; Toppan Printing Co., supplies labels for the bottles; and Mead Toppan Co., which supplies multipacks for the bottles. The 2-L cans are sold individually.

Asahi 300 ml aluminum bottle.

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